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No. 87-

IN THE
Supreme Court of the United States
OCTOBER TERM, 1987

DRESSER INDUSTRIES, INC.,
Petitioner,

v.

HUGHES TOOL COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTION PRESENTED

Whether a federal appellate court may, consistently with the Federal Rules of Civil Procedure and the Due Process Clause of the Fifth Amendment, deny a Motion to Remand that is based on evidence improperly withheld during discovery, while at the same time refusing to review the Motion because of factual issues raised in it?

STATEMENT UNDER RULE 28.1

In accordance with Rule 28.1 of this Court, the following is a listing of the subsidiary and affiliated companies of Dresser Industries, Inc. (DII) which are owned less than 100% by DII and which have as remaining shareholders, companies which may be traded on an American stock exchange. Remaining shareholders are italicized.

1. Airetool and Yost Superior Realty, Inc. (50%)
   Yost Superior Co.
2. Bartil, Inc. (50%)
   Tillco, Inc.
3. IRI International Corporation (39%)
   Ingersoll-Rand Company
4. Road Machinery Company (46%)
   Remaining shareholders are individuals and Road Machinery Employees Stock Ownership Plan (ESOP)
5. BJ Titan Services Company (27.3%) (Partnership)
   Baker Hughes Corporation
6. Dresser-Rand Company (50%)
   Ingersoll-Rand Company
7. M-I Drilling Fluids Company (60%)
   Halliburton Company
8. Dresser-Cullen Venture (50%) (Partnership)
   Cullen Center, Inc.
9. Western Atlas International, Inc. (50% common stock)
   Litton Industries, Inc.
10. Worthing Pump Asia Pte. Ltd. (80%)
    Worthington Pump, Inc.
    Cooper Industries, Inc.

No other non-wholly owned affiliate or subsidiary of DII is traded on an American stock exchange. There are scores of companies in which DII has ownership interests but which DII does not wholly own.

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

The Petitioner, Dresser Industries, Inc., prays that a writ of certiorari issue to review the judgment entered in this case by the United States Court of Appeals for the Federal Circuit, on April 13, 1987.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit (App. A, pp. 1a-27a) is reported at 816 F.2d 1549. The Memorandum Opinion and Order of the United States District Court for the Northern District of Texas on issues of patent infringement and damages is unreported. It is set forth in App. B, pp. 29a-84a.

JURISDICTION

On April 13, 1987, a panel of the Court of Appeals for the Federal Circuit affirmed in part, and vacated and remanded in part, the judgment of the District Court. The judgment of the Court of Appeals is set forth in App. C, p. 85a. A petition for rehearing was denied on May 22, 1987. (App. D, p. 87a). By an order signed August 5, 1987, the Chief Justice extended the time for filing this petition to and including September 16, 1987.

This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL PROVISION INVOLVED

United States Constitution, Amendment V:

> No person shall be . . . deprived of life, liberty, or property, without due process of law.

STATUTORY PROVISION INVOLVED

35 U.S.C. § 103. *Conditions for patentability; non-obvious subject matter*:

> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. . . .

FEDERAL RULES OF CIVIL PROCEDURE INVOLVED

The Federal Rules of Civil Procedure involved are set forth in the Appendix, at pp. 115a-119a.

STATEMENT

Although this is a patent case, the question raised by this petition is not one of patent law. It is an important procedural question under the Federal Rules of Civil

Procedure, and the Due Process Clause—whether the Court below erred in denying any judicial consideration of belatedly discovered evidence of obvious importance which was not disclosed by the other party pursuant to a valid discovery request.

1. *The Litigation Framework*

This case began in the United States District Court for the Northern District of Texas when the respondent here, Hughes Tool Co., started suit against the petitioner, Dresser Industries, Inc., for patent infringement. The patent in question, U.S. Patent No. 3,397,928 (the "'928 patent") describes a packing ring seal to be used in rotary bits in boring oil and gas wells. As found by the courts below, the sole characteristic distinguishing the '928 patent from prior patents is its requirement that the rubber packing ring be "squeezed" (i.e., compressed) "not less than substantially ten percent of its thickness prior to assembly" of the ring in the bit. Slip op. at 9 (App. B, p. 36a); 816 F.2d at 1552 (App. A, p. 6a).

Dresser and Smith International, Inc. ("Smith"), two of Hughes' principal competitors, soon became convinced that the patent was invalid. This was because, at the time the '928 patent was submitted to the Patent Office in 1968, engineering literature uniformly recommended a ten percent or more squeeze upon packing ring seals used in slow speed rotary applications. After consulting patent counsel, the two companies began manufacturing bits within the putative coverage of the patent.[1]

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[1] Smith initiated a declaratory judgment suit in the Central District of California to invalidate the patent. The district judge in California held the patent invalid, on the ground that it was obvious, since "the evidence clearly shows that most, if not substantially all, sealed rock bits . . . are run at [slow] speeds." Two years later, a panel of the Ninth Circuit reversed this decision. *Smith International, Inc. v. Hughes Tool Co.*, 664 F.2d 1373, *cert. denied*, 456 U.S. 976 (1982). The appellate court concluded that the '928 design was a "synergistic" "combination patent" which produced the "first

After the case in the Ninth Circuit, referred to in footnote 1, was decided, the present case was brought to trial in early 1983. In a February 6, 1984, decision the District Court upheld the validity of the '928 patent. The district judge in Texas was perhaps unduly influenced by the decision in the Ninth Circuit. He ruled that rock bit bearings were run at high speeds and high temperatures, and that the prior patents and engineering literature relied on by Dresser to show the lack of novelty of the ten percent squeeze accordingly failed to indicate the '928 patent was obvious. Slip op. at 9, 44, 50 (App. B, pp. 37a, 67a, 72a). Although the District Court did "find some concern in the limited number of tests and the squeezes and controls used in the tests before the patent examiner," it concluded that the ten percent squeeze recommended by the '928 patent "produced a rock bit that was 200%" longer lived than "the previous bits." Slip op. at 20, 21 (App. B, pp. 47a-48a).

With respect to damages, the District Court accepted at face value testimony presented by Hughes that Hughes had been opposed to licensing its patents to direct competitors. *Id.* at 33-34 (App. B, p. 59a). It entered judgment fixing the damages at twenty-five percent of the gross sales price of infringing rock bits sold by Dresser between 1973 and 1984. The Court declined to award exemplary damages, holding that Dresser had acted in a "good faith belief that the patent was invalid." Indeed, the District Court concluded that "[t]he entire issue involving the patentability of a minimum ten percent squeeze on an O-ring seal in rock bits is, at least, debatable." *Id.* at 57 (App. B, p. 78a).

Dresser then appealed to the Court of Appeals for the Federal Circuit.

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consistent 100-hour plus rock bit" as a result of the seal's alleged unexpected capacity to withstand "high speed and high temperature rotary conditions." 664 F.2d at 1376.

2. *"Exhibit 8565" and the Motion to Remand in the Federal Circuit*

In view of the decision of the Ninth Circuit in the *Smith* case, and its apparent impact on the district judge below, the question whether the '928 patent made an unanticipated but important contribution to the use of bits at high speed and high temperature is obviously of central importance in this case. It is because of this that the procedural question is crucial both in this case, and to the sound development of procedural law.

When the suit was reactivated in the court below following the Ninth Circuit decision, Dresser immediately resumed discovery efforts. Among others, it made the following discovery request:

> Request 53(b)
>
> Identify and produce for Defendant's inspection and copying all Hughes documents which contain, refer or relate to an objective of providing a sealed drill bit capable of operation at speeds in excess of 120 rpm.

Other discovery requests by Dresser covered "reports . . . and other documents relating to bearing failures and/or seal failures of plaintiff's . . . bits. . . . Bit records and other documents . . . relating to or indicating operation of . . . bits at rotary speeds in excess of 100 rpm. . . . Documents containing or referring or relating to recommended speeds of rotation for . . . bits whether prepared by [Hughes] or others." Dresser also deposed the Hughes engineers and officers who had been responsible for the testing, design and marketing of Hughes' rock bits at the relevant times.

After the case had been briefed and argued in the Federal Circuit, vitally important additional evidence came to light, which had not been produced in response to the discovery requests. This was a document produced in the *Smith* litigation (but subject to a protective order

there), and identified in that case as "Exhibit 8565." This did not become known to Dresser until it was included in the Appendix in the Federal Circuit in the *Smith* litigation, at which point it became free of the protective order.

Exhibit 8565 is an outline of product requirements formulated during a conference of Hughes' field representatives in 1973.[2] The document, which had wide internal circulation, including distribution to several of the Hughes employees who testified in this case (and was not disclosed by them), makes it clear that high speed operation was not achievable in bits using the '928 seal even eight years after Hughes filed the patent application. The Exhibit includes the following passage:

> The current existing journal bearing designs are limited to the lower range of rotary speeds (up to 70) for economic applications. A drastically reduced bearing capacity is encountered as rotary speeds exceed 100 rpm. The development of a journal bearing which will sustain higher rotary speeds in the range of 90-100 rpm would promote the application of the J-22 design. In addition, a 100-150 rpm bearing capability is a prerequisite for introduction of [certain new bit designs].

See App. E, p. 108a.

Elsewhere, Exhibit 8565 addressed the inability of O-ring sealed bits to function in high temperature boreholes:

> Material now used in journal bearing seal systems is limited in regard to its ability to withstand temperatures in excess of 300° F±50° F. Bit life is limited by bearing failure. The problem of seals being affected by temperatures exists in some deep holes

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[2] The full text of Dresser's Motion to Remand in the Court below, which includes the text of the relevant portions of Exhibit 8565, is set forth in Appendix E, pp. 89a-113a.

drilled with mud, in most holes drilled with air and all holes drilled in geothermal exploration.

See App. E, p. 112a.

Exhibit 8565 clearly was crucial evidence, since it refuted Hughes' primary thesis—and the District Court's central finding—that the '928 patent was not obvious because the allegedly critical ten percent squeeze unexpectedly permitted the Hughes bits to endure high rotary speeds and high temperatures. *See* slip op. at 9, 44, 50-51 (App. B, pp. 37a, 67a, 72a-73a); 816 F.2d at 1553, 1555 (App. A, pp. 9a, 13a). Since the Exhibit became available to Dresser only in November, 1986, when Dresser received a copy of the Appendix filed in the latest appeal of the *Smith* case, Dresser immediately submitted the Exhibit to the Court of Appeals, as part of a Motion to Remand, to Vacate, or to Reopen the Record, or Obtain Relief from Judgment (the "Motion to Remand").[3]

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[3] There was much further evidence which Hughes failed to produce in response to valid discovery requests. Just before the District Court entered its judgment, Dresser first learned, through the ongoing damages phase of the *Smith* litigation, and from other sources not within Dresser's control, of a detailed appraisal, prepared at the same time that the alleged infringement had occurred, estimating that a reasonable royalty under the '928 patent would be .5 percent. Dresser also obtained a 1980 letter in which the Hughes witness who had testified at trial that Hughes had been unwilling to license the '928 patent actually offered to license that patent to a direct competitor of Hughes f.r a royalty of four percent.

Dresser learned in addition that an affidavit submitted by the inventor, Edward Galle, to the patent examiner in support of the '928 patent had been grossly misleading, in that (1) two packing rings reported by Galle as having been squeezed in a test at 9.5 percent actually had been squeezed approximately 9.0 percent and 9.7 percent, respectively, with the former performing best; and (2) the affidavit failed to mention a third packing ring Galle had tested, or that this third ring, squeezed as required by the patent in excess of ten percent, and concededly falling within the scope

Despite the clear evidence of Hughes' deliberate or reckless disregard of its responsibilities in discovery, and despite the compelling nature of the evidence discovered by Dresser following the trial in this case, a panel of the Federal Circuit affirmed the District Court's decision upholding the '928 patent. Like the District Court, the Court of Appeals gave great weight to the contentions that the ten percent squeeze was vital to improved bit performance and that the patented seal had been designed for "high speed and high temperature rotary conditions." 816 F.2d at 1553, 1555 (App. A, pp. 9a, 13a).

Although the court remanded the case for errors in the District Court's decision on damages, it unqualifiedly denied Dresser's Motion to Remand on the issue of validity. The court's only explanation for this denial of an opportunity to consider the relevance and effect of Exhibit 8565 was that the motion was "bound up" with "factual disputes" with respect to the alleged withholding of documents, which the court, as an appellate tribunal, could not address. 816 F.2d at 1559 (App. A, pp. 20a-21a). Consequently, Dresser can receive judicial consideration of this important issue in this case, only if this Court grants this petition and directs the court below to remand the issues arising from the newly obtained evidence to the District Court.

REASONS FOR GRANTING THE WRIT

I. THE EVIDENCE WRONGLY WITHHELD BY HUGHES GOES TO THE HEART OF THE CASE

To the courts below, speed, and, to a lesser extent, temperature, were the pivotal issues with respect to the validity or invalidity of the '928 patent. Dresser had produced considerable evidence—much of it never submitted

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of the patent, had performed less successfully than one of the two rings purportedly squeezed at 9.5 percent.

Upon discovering this previously withheld evidence, Dresser moved prior to entry of judgment to reopen the record, and filed a similar motion following entry of judgment. The District Court denied both motions without explanation.

to the Ninth Circuit in the *Smith* litigation—that the patent merely reiterated teachings contained in earlier engineering literature. In contrast, the only colorable argument advanced by Hughes to distinguish its patent from this prior art was an allegation that the '928 bits operated successfully at unusually high speeds and temperatures. Furthermore, the Ninth Circuit in *Smith*, though focusing entirely on the status of the patent as an innovative "combination" design, had, in an offhand way, and without adverting to any evidence, reversed the California district court's finding that "most, if not substantially all, sealed rock bits are run at [slow] speeds." *See* 664 F.2d at 1376. The District Court's decision below explicitly acknowledged that the judge felt bound by considerations of comity to "follow" the Ninth Circuit's decision in *Smith* unless new defenses or new evidence convinced him otherwise. Slip op. at 21-22 (App. B, pp. 48a-49a).

Accordingly, the District Court termed speed a "threshold issue," and addressed it almost immediately in the course of deciding the case. *Id.* at 9 (App. B, p. 37a). Specifically, the court, adopting almost verbatim the language of proposed findings filed by Hughes, found that '928 seals endured unexpectedly at "surface rubbing speeds of up to 300-400 feet per minute," and in "high ambient operations up to 400° F." *Id.* at 50-51 (App. B, p. 72a). The Court of Appeals affirmed those findings as not clearly erroneous. *See* 816 F.2d at 1555 (App. A, p. 13a). On the basis of the speed and temperature findings, the District Court and the Court of Appeals upheld the validity of the '928 patent, and rejected Dresser's protests that the patented seal was an "obvious" application of prior teachings.

A. The Effect of Exhibit 8565 as Evidence

Exhibit 8565, wrongfully withheld by Hughes in discovery,[4] directly refutes the critical speed and tempera-

[4] Hughes contended in response to Dresser's Motion to Remand that Exhibit 8565 had been in one of two unorganized boxes of

ture findings made below. The Exhibit establishes—by admissions of Hughes' own marketing team—that '928 bits do not operate economically when their seals experience speeds above 126 feet per minute; that the bits' capacity is "drastically reduced" at speeds exceeding 180 feet per minute; and that the bits have only "limited" ability to withstand temperatures in excess of 350 degrees Fahrenheit. App. E, at 108a.[5] The Exhibit, moreover, was prepared in 1973—eight years after Hughes applied for the patent, and during the very period for which damages have been assessed against Dresser for patent infringement. The Exhibit, thus, was highly credible evidence that was virtually conclusive with respect to the issues upon which the decisions of the courts below turned. Yet it was wrongfully withheld in discovery, and has never been considered by any court on the merits.[6]

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documents produced to Dresser by Hughes initially. Dresser denies that it received the document prior to November, 1986, and has produced affidavits to that effect from the two attorneys who attended the document production in question on Dresser's behalf. Dresser notes that Exhibit 8565 is not mentioned on the handwritten list of all documents produced which the two attorneys prepared at the time. Furthermore, none of the other documents produced related to 1973—a crucial year, in Dresser's opinion, with respect to Hughes' claims of patent infringement.

No court has ever addressed the merits of this factual dispute about withholding of evidence.

[5] The speeds cited in the Exhibit are expressed in terms of revolutions per minute ("rpm"), while the findings below speak in terms of "feet per minute" ("fpm"). The "feet per minute" measure, which refers to the rate at which the surface of the seal is rubbed as the bit rotates, increases with bit size when compared to the rpm measure. For the largest bits involved here (12¼ inches in diameter), fpm = rpm x 1.8, according to testimony Hughes presented at trial.

The present analysis assumes, for purposes of argument only, that Hughes' testimony regarding the mathematical relationship between revolutions per minute and feet per minute is true, and converts the Exhibit's rpm figures to fpm on that basis.

[6] The Exhibit was not made available by Hughes in the *Smith* litigation until well after all issues of patentability had been fully litigated and finally decided.

B. The Importance of Exhibit 8565 as a Basis for Cross-Examination

The full measure of the significance of the Exhibit is only apparent after consideration of the "evidence" of high speeds and temperatures upon which the findings below were based. Nowhere in the patent is speed or temperature mentioned. Except for evidence regarding the speeds at which bits of unspecified type are turned, the only support for the crucial findings of high speed and temperatures consisted of testimony by Edward Galle and other Hughes witnesses to the following effect:

> Q. In your work, Mr. Galle, what account did you take of this wide range of rotary speeds?
>
> A. Well, I felt that if I was going [to] be successful in developing a bearing and seal combination that that bearing and seal would have to be capable of being used at this full range of operating practices.
>
> Q. Well, couldn't you have just designed the slow speed bit and told every user and purchaser of the bit to just turn it slowly?
>
> A. I don't think that would be practical. We have no control over the way that a driller uses a bit. There are all types of drilling conditions and practices all over the world, and that just wouldn't have been a practical way to have approached it.
>
> Q. Well, back at that time, did you believe that your journal bearing O-ring bits would come to be used in all sizes and types and operated over full ranges including all of these high speeds?
>
> A. I certainly hoped it would.
>
> Q. Well, has that come to be true?
>
> A. Yes. [A. 2958-59]

Exhibit 8565 is important not only as evidence refuting Hughes' claims but also because of the basis it would

have provided for cross-examining Galle and a number of other Hughes witnesses, and because of the leads it would have provided for other evidence. Dresser argued strenuously to the District Court that not all of the evidence adduced of operation of bits at high speeds and high temperatures related to bits having the '928 seal, and that the '928 seal would not endure such conditions. The District Court found otherwise, relying on testimony such as that quoted above. Had Hughes not withheld Exhibit 8565, Dresser would have had the evidence it needed to expose the falsity of Galle's testimony (and the testimony of other witnesses) through cross-examination and testimony of expert witnesses. Lacking such evidence, Dresser has been saddled with the second largest judgment for patent infringement ever awarded, while Hughes has enjoyed a legal monopoly on routine applications of established engineering teachings.

Unless Dresser is now permitted to present the Exhibit to the trier of fact for consideration on the merits, Dresser will never have received the full and fair opportunity to defend itself which the judicial system and the Rules of Civil Procedure are designed to afford. Yet the Federal Circuit's decision to affirm the validity of the patent and to deny the Motion to Remand without considering it on the merits effectively denied Dresser access to review by the District Court.[7]

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[7] On procedural matters, the Federal Circuit follows the law of the Circuit where the case was tried, here the Fifth Circuit. *Compare Gulf Coast Building and Supply Co. v. International Brotherhood of Electrical Workers,* 460 F.2d 105 (5th Cir. 1972) (where an appellate court implicitly disposes of all issues presented by the record, a district court impermissibly flouts the appellate mandate if it thereafter considers an issue presented by that record); *United States v. Cato Brothers, Inc.*, 273 F.2d 153, 157 (4th Cir. 1959) (district court cannot reopen questions which the mandate lays to rest), *cert. denied,* 362 U.S. 927 (1960); *Pierce v. Cook & Co., Inc.*, 518 F.2d 720 (10th Cir. 1975) (district court could well think it was precluded by the mandate from considering Rule 60(b) motion), *cert. denied,* 423 U.S. 1079 (1976); with *Sellers v. General Motors Corp.*, 735 F.2d 68 (3d Cir. 1984) (district court erred in

This Court should take jurisdiction of the case to clarify the ambiguities and conflicts in appellate decisions concerning the effect of the mandate in situations of this type, and to ensure that Dresser receives the hearing to which it is entitled.

II. THE FEDERAL CIRCUIT'S DENIAL OF DRESSER'S MOTION IS INCOMPATIBLE WITH THE FEDERAL RULES OF CIVIL PROCEDURE

The Federal Rules of Civil Procedure—having the effect of statute, *Sibbach v. Wilson & Co.*, 312 U.S. 1 (1941)—provide the appropriate framework for litigation. They should not be displaced by too summary judicial action. Yet that is the impact of the denial of Dresser's Motion by the Court of Appeals.

Specifically, were it not for the Court of Appeals' ruling, Rule 60(b) would provide an express remedy for Dresser's plight. The Rule permits a district court "[o]n motion and upon such terms as are just" to "relieve a party . . . from a final judgment, order, or proceeding." In addition, the Rule recognizes the power of a court to "entertain an independent action to relieve a party from a judgment, order, or proceeding for fraud upon the court." Numerous decisions establish that Rule 60(b) may properly be invoked where, as here, a party has been prevented from fully presenting his case, and where malfeasance of an opponent is involved. *Klapprott v. United States*, 335 U.S. 601 (1949). *Cf. Marshall v. Holmes*, 141 U.S. 589 (1891); *United States v. Throckmorton*, 98 U.S. 61, 65-66 (1878). While district courts have wide discretion in deciding whether to grant relief under Rule

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assuming that denial of motion to remand precluded it from deciding Rule 60(b) motion). *Cf. also Standard Oil Co. v. United States*, 429 U.S. 17 (1976) (denying motion to recall mandate, without prejudice to movant's right to pursue Rule 60(b) motion below); *Aldridge v. Union Bankers Insurance Co.*, 457 F.2d 501 (5th Cir. 1972) (affirming with leave for appellant to move for Rule 60(b) relief in district court).

60, Dresser has been effectively denied the opportunity to present the matter to a factfinder vested with such discretion, in the absence of clarifying action by this Court.

The Federal Circuit's denial of Dresser's access to post-trial relief is particularly inappropriate in patent litigation, which affects important public interests by creating, enforcing, or abrogating legally protected private monopolies.[8] For this reason, inequitable conduct by a patentee (or would-be patentee) in the course of enforcing or obtaining a patent is closely reviewed, even when belatedly raised post-trial by a private party who has been less than diligent in presenting such claims. *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238 (1944). *Cf. Precision Instrument Manufacturing Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945). Exhibit 8565 demonstrates—particularly in conjunction with other evidence that has been obtained post-trial—that Hughes has deliberately sought to enforce a patent it knew was invalid for obviousness. The Court of Appeals acted contrary to the public interest in failing to insure that Dresser's right to present these matters to the trier of fact in a post-trial motion or independent action was preserved. *Compare United Business Communications, Inc. v. Racal-Milgo, Inc.*, 591 F. Supp. 1172, 1187 (D. Kan. 1984) (in a patent case, a "pattern of false testimony, fabrication, and nondisclosure of relevant information in a systematic effort to mislead the court" constitutes fraud on the court, justifying a grant of relief from the judgment in an independent action).

The Court of Appeals' decision also contravened the Federal Rules by failing to require the District Court to afford Dresser an opportunity to be heard with respect to Dresser's allegations that Hughes ignored its responsibilities in discovery. The rules require litigants either to

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[8] Indeed, Smith International, Inc., has been forced to file for bankruptcy as a result of the damages awarded against Smith in the '928 patent litigation.

answer interrogatories fully and truthfully, or to lodge valid objections in certified responses. Fed. R. Civ. P. 26(g), 33(a), 34(b); *Rozier v. Ford Motor Co.*, 573 F.2d 1332, 1346 (5th Cir. 1978) ("It is axiomatic that [d]iscovery by interrogatories requires candor in responding") (citation omitted). Moreover, the responses are to be made in a form usable by the requesting party.[9] Supplemental responses are required whenever a party discovers that his answers were untrue when made, or that they have become incorrect in circumstances in which failure to amend would constitute knowing concealment. Fed. R. Civ. P. 26(e).[10]

In this case, the pattern of nondisclosures, suspicious lapses of memory experienced by key Hughes witnesses, suggestions by Hughes' counsel to witnesses during deposition that they might not remember the facts in question, the fact that material withheld was uniformly damaging to Hughes' case, and the familiarity Hughes ought to have had with discoverable materials in view of the lengthy *Smith* proceedings, all suggest Hughes' errors may have been less than accidental.[11] Dresser proffers evidence which the District Court did not see and which enhances the abuse of discovery arguments Dresser made in its post-trial motions.

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[9] *Bluitt v. Arco Chemical Co.*, 777 F.2d 188 (5th Cir. 1985); *In re Fine Paper Antitrust Litigation*, 685 F.2d 810, 823 (3d Cir. 1982), *cert. denied*, 459 U.S. 1156 (1983); *Mitsui & Co. v. Puerto Rico Water Resources Authority*, 26 Fed. Rules Serv. 2d 377 (D.P.R. 1978).

[10] Hughes made no effort to advise Dresser of the existence of Exhibit 8565 although Hughes had made the Exhibit available, under seal, in the *Smith* litigation.

[11] *Compare Rozier v. Ford Motor Co., supra*, 573 F.2d at 1346 (the "policy protecting finality of judgments is not so broad as to require protection of judgments" where a party, by "selective disclosure of information," has "completely sabotaged the federal trial machinery" and "preclude[d] the fair contest which the Federal Rules are intended to assure").

The rules vest the District Court—the tribunal familiar with the entire course of discovery in this case—with broad discretion to inquire into discovery matters, correct any injustices that might have occurred, and take steps to deter future disregard of discovery obligations. *See National Hockey League v. Metropolitan Hockey Club, Inc.*, 427 U.S. 639, 642, 643 (1976). *See also Roadway Express v. Piper*, 447 U.S. 752 (1980); *Hammond Packing Co. v. Arkansas*, 212 U.S. 322 (1909); Fed. R Civ. P. 37(d). The Federal Circuit's role, in contrast, was only to review, under a strictly confined "abuse of discretion" standard, any findings the District Court might have made with regard to Dresser's allegations. *National Hockey League v. Metropolitan Hockey Club, Inc.*, 427 U.S. 639, 643 (1976). Yet the Federal Circuit's ruling on the Motion to Remand, in light of the mandate rule, operatively prevents the District Court from exercising the broad discretion that court has to insure that Dresser receives a fair trial on all the evidence, and that the policies underlying the discovery rules are vindicated.

The discovery provisions of the Federal Rules constitute "one of the most significant innovations of the Federal Rules of Civil Procedure." *Hickman v. Taylor*, 329 U.S. 495, 500 (1947). They were designed to replace cumbersome pleading rules, and overreliance on litigation tactics, with full pretrial disclosure of nonprivileged facts and issues. *United States v. Procter & Gamble*, 356 U.S. 677, 682-83 (1958). Although the provisions are largely self-executing in the ordinary case, the district courts must retain broad discretion to insure that discovery responsibilities are taken seriously. The Court of Appeals' treatment of Dresser's Motion to Remand, if disregarded in this Court, imperils important policies served by the discovery rules.

Finally, the Court of Appeals implicitly violated Rule 52(a) by its disposition of the Motion. By denying the Motion to Remand the issues and evidence presented by

Dresser, and affirming the judgment holding the patent valid, the appellate court's decision effectively and improperly determined the factual issues adversely to Dresser. This the Court of Appeals had no authority to do. Although original factfinding is not appropriate at the appellate level, it is particularly unwarranted where, as here, the facts which the appellate court's decision suggests to be insignificant go to central findings, and where the trial court clearly felt the case to be an exceedingly close one.

III. THE FEDERAL CIRCUIT'S DISPOSITION OF DRESSER'S MOTION TO REMAND VIOLATED DUE PROCESS

What has been said shows that Dresser had available to it certain procedural remedies—expressed in the Rules of Civil Procedure, and in earlier common law precedents as well—which the Federal Circuit's summary denial of the Motion ignored. The availability of such remedies is particularly significant where their denial in these proceedings may result in Dresser's suffering a massive deprival of its property. Thus, the procedural protections afforded to Dresser assume constitutional dimensions. *See Boddie v. Connecticut*, 401 U.S. 371 (1971).

Dresser does not contend that the Constitution by itself requires federal courts to consider evidence and issues submitted post-trial. The fact remains, however, that those courts have long demonstrated their authority to provide such relief, and the Federal Rules explicitly provide that applications for it should be considered by the trier of fact. These post-trial remedies having been made available through the Federal Rules, appellate courts cannot, consistently with due process, withdraw them. *See Logan v. Zimmerman Brush Co.*, 455 U.S. 422 (1982); *Lindsey v. Normet*, 405 U.S. 56 (1972). Nor may the Federal Circuit unreasonably deny Dresser access to the only forum effectively empowered to grant Dresser re-

lief—the District Court. *Boddie v. Connecticut, supra,* 401 U.S. at 376.

CONCLUSION

For the reasons set forth above, Dresser prays that the writ of certiorari issue.

Respectfully submitted,

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